195 2. File No. C 15 / 152

A

PILE

DEPARTMENT

BRANCH

B Class

Subject:—

Iron & Steel

ramfrack on

refer from C 15 / 052 V

B Class

File No. C 15 / 052

Std. Sectl. Blip. 94 A

Please see the letter from the R.O. (Iron and steel), Bombay about fabrication of iron and steel.

2. It will be seen that by notification of 5/7/'51 authorised fabrication of the categories of iron and steel mentioned in the Second Schedule of the Order is exempted from the provisions of the Iron and Steel control Order, while under the subsequent Notfication of 5/3/1952, categories of iron and steel mentioned in the first schedule annexed to this Notification that are manufactured by certain Un-registered Producers (Re-rollers) out of scrap obtained from uncontrolled sources or out imports are exempted from ~~(uncontrolled)~~ the provisions of the Iron and Steel Control Order.

3. The R.O. has suggested that the Government of India may be requested to delete the proviso to sub-clause (1) of clause (3) of the Iron and Steel Control Order or in the alternative to ammend the schedule of items annexed to the Notification of 5/3/1952 by deleting therefrom roofing bars lintel bars, tie-rods, fencing bars and cart tyres. It may be pointed out that according to the judgement of the Madras High Court even fabricated goods come within the purview of the Iron and Steel Control Order. The proviso to sub- clause (1) of clause (3) of the Order has obviously been inserted in view of this position. It would not therefore be proper to suggest its deletion. As regards the other suggestion of the R.O. it is not clear why the R.O. has proposed to delete only 5 items out of the 18 items mentioned in the First Schedule annexed to the Notification of 5/3/1952, so as to bring them within the purview of the Iron and Steel Control Order. The R.O. may therefore be requested to clarify this in the first instance.

28/5.

Will Assistant Secretary draft a letter to Government of India on the ~~eni~~ lines of papers 13-14 and the notifica-tion issued by Government of India? There is very little fabrication in categories 1 to 4. hence RO's proposal.

Shri Chitre should immediately go to C Branch as SR Assistant and Shri Gandbhir come over to E ~~Branch~~ Branch.

Done
Sir,
17/6/52.

Resubmitt-ed with a draft (pp. 17-19 of C.S.)

Labour and Housing Department.
E.

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K.D.
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Shri Chitre should immediately go to C Branch as S2 Assistant and Shri Gandbhir come over to E ~~Branch~~ Branch.

Done
Sir,
17/6/52.

Resubmitted with a draft (pp. 17-19 of C.S.)

High Court of Judicature at Madras" there is no warrant for distinction between fabricated bars and unfabricated bars" and state that so long as an article can reasonably be called by the same name as any of the category listed in the Schdule to the control order, etc. that articles would be subject to the provisions of the Control Order.

The Government of India also state that the quota certificates and permits bear a condition mentioning the purpose for which the steel is to be used and that persons not using the steel for the said purpose can be charged with for contravening the Control Order.

In view of all this the Government of India do not consider it necessary at present to amend their notification No.SC (A) (66), Dated 5-3-52. No further action therefore seems necessary on these papers. However, a copy of the Government of India, Ministry of Commerce and Industry No. SC (A)-4 (66), dated 11-12 52 may be forwarded for to the Rationing Officer (Iron and Steel Bombay for information in continuation of Government Deaf Endorsement, Labour and Housing Department No.576/46 E, dated the 27th June 1952.

CIS 1052/ 111180.

Public Works Department.

Submitted with reference to Secretary's directions at page 55 of C/s and G. B. No. CIS 1052/101084 C dated the 3rd November 1952.

In their letter dated 27.10.52, M/s. Chandrakant Trading Co. referred to their earlier correspondence and invited attention to the newspaper cutting appearing in the issue of the Times of India dated 27.10.52, as inserted by M/s Tata Iron and Steel Co. Ltd. They state that the stocks have begun to be advertised by the stockists. They also referred to the Government of India notification regarding free sale of steel after 60 days, and stated that the free sale is not only in respect of slow moving categories but in respect of whatever steel remains undisposed of after 60 days-. They therefore requested that they may formally be appointed as registered stockists of steel on whole basis alone they could get the stocks from M/s. Tata Iron and Steel Co. Ltd. The R.O's remarks were called for in the matter. They will be found at page 67 of C/s. It may be seen therefrom that M/s. Tata Iron and Steel Co. Ltd have not advertised the availabilities for any stockists but that the steel will be available for retail holders and permit holders at control prices. As regards the free sale orders also it may be stated that as observed by the R.O. in effect only slow moving categories will go in free sale after 60 days. does not mean that the supply position of steel has improved and that number of stockists can be augmented. It may be stated here that stocks available for handling by the registered stockists are those alloted by the Government of India have not shown any improvement but they are almost the same which is evident from 'A' on page 8 ante. The allotment for period I /53 is also the same as that for period IV/52.

X.D.
31/5.

In view of this it cannot be said that the supply position as such has improved so as to permit additional stockists. The R. O. has stated the present quarterly allotment of iron and steel to this state is so meagre that it is not sufficient to allot even a wagon load to any registered dealer every quarter.

M/s. Chandrakant Trading Co, Ltd. have been repeatedly approaching Government on one pretex of other for their appointment as registered stockists of iron and Steel and they have more than once been informed that their request for individual appointment as registered stockist cannot be considered. In view of this M/s Chandrakant Trading Co. may perhaps now be informed that Government has nothing to add to its letter No. 576/46/84596 G, ~~dted~~ dated 1.10.52.

K.D.
31/5.

PUBLIC WORKS DEPARTMENT.

BOmbay Castle (Bombay No. 1), 12th December 1952.

No. CIS. 1052.---- The following notification by the Government of India, Ministry of Commerce and Industry, is republished:---

S. R. O. 1029 dated New Delhi, the 22nd September 1952.

The following notification issued by the Iron and Steel Controller under Clauses 4 and 5 of the Iron and Steel (Control of Production and Distribution)Order, 1941, is hereby published for general information:-

" In exercise of the powers conferred on me under Clauses 4 and 5 of the Iron and Steel (Control of Production and Distribution)Order, 1941, I hereby authorise the acquisition and disposal of any quantity of the categories of steel specified in the statement appended hereto, without any quota certificate or authorisation . This relaxation shall not affect the statutory selling prices of these categories wherever applicable.

Statement.

(1) Tyr-es, Wheels and Axles.
(2) Dogspikes.
(3) Bolts (including Fish Bolts), Nuts and Rivets.
(4) Wire Nails.
(5) Tool Steel in any unfabricated or semi fabricated form.
(6) Cast Iron Pressure Pipes and Specials.
(7) Wire Ropes.

(Signed) C.R. Natesan,
Iron and Steel Controller.

No. SC(A) 4 (61).

By order of the Governor of Bombay,

N.D. Dravid,

Secretary to Government.

I.D.
28/5.
A.30/5

No. 576/46 -E,
Labour and Housing Department,
Secretariat (Annexe), Fort, Bombay.
27th June 1952.

To

The Secretary to the Government of India,
Ministry of Commerce and Industry,
New Delhi.

Subject:- Iron and Steel (Control on Production and Distribution) Order, 1941.

Sir,

In their notification, No. SC(A) - 4 (66), dated the 5-7-51, the Government of India in the Ministry of Commerce and Industry published an amendment to the Iron and Steel (Control on Production and Distribution) Order, 1941 whereby a proviso to sub- clause (1) of Clause (3) of the said Order was added saying that the provisions of the Order would not apply to any fabricated iron and steel of the categories specified in the schedule appended to the Order when such fabrication was done under the authority of or in accordance with the conditions contained or incorporated in a general or special written order of the Controller or under the authority of a quota certificate or permit issued under clause 4 or clause 5 as the case might be. The Iron and Steel Controller accordingly issued a circular to all unregistered Re-roller, No. ISC / CDM/III, dated July 1951 (copy enclosed) exempting the unregistered Re-rollers from the operation of the Iron and Steel Control Order, 1941. By amendment to the Order and the Circular issued by the Iron and Steel Controller all fabricated iron and steel of the categories specified in the second schedulewhere the fabrication is done under the written authority of the Controller or under a quota certificate has been placed outside the scope of the Control Order thus removing the difficulty of all fabricators who are genuinely engaged in the manufacture of fabricated categories of steel.

X.D.
28/5.

In effect, however the circular issued by the Iron and Steel Controller defeats the very object for which it was issued. The Circular is a general written authorrisation contemplated in the proviso to sub-clause (1) of clause (3) of the Iron and Steel Control Order, 1941 and the provisions of that Order would not apply to sales effected by the unregistered Re-rollers when the fabrication is in accordance with the terms of the authorisation of the Iron and Steel Controller, Calcutta. There is no obligation on the part of the unregistered Re-rollers to sell the fabricated materials to consumers only and not to sell to dealers for re-sale. The result is that the dealers ontain the materials from-- unregistered Re-rollers and sell the same to dealers or consumers as may be sutiable to them. In short thematerial before it reaches the consumers may pass through several dealers who add their own profits over the price of rerolling mills or over the price ofother intermediate dealers. Action in such cases is not possible as proviso to sub-clause (1) of clause (3) exempts fabrication, when it is under the authority of the Iron and Steel Controller Calcutta. It is also possiblefor other stockholders to do nominal fabrication themselves and sell the materials as fabricated. It would be difficult if not impossible to check up malpractices of dealers. The Iron and Steel Controller, Calcutta was therefore approached to restrict the sale of fabricated bars, etc. to consumers only so as to prevent re-sale of such materials by any person. The Controller however has written to say (vide his d.o. letter, No. ISC/CDN-III/1 (18) /893, dated the 28/29-3-52 to the State Rationing Officer, copy enclosed) that there seems no necessity to modify the Circular issued by him in view of the Government of India Ministry of Commerce & Industry may kindly be moved to get the schedule appended to their Notification of 5-3-52 just referred to amended by deleting therefrom the categories of "Roofing Bars", Lintel Bars" "Tie Rods", "Fencing Bars" and "Cast Tyres Flat" as it has been observed that the bars and

Notification number SC(A) dated 5-3-52 I am however to request that the Govt. of India in the ministry of commerce and industry

X.D.
28/5.

rods which are in short supply are being sold by many dealers under the description of "Fabricated Bars", Tie Rods ", "Roofing Bars" "Lintel Bars" etc. at a rate varying from Rs.28 to Rs-30 per cwt. These materials pass through several hands and profit of each of them has to be borne by the consumer. Fabrication consists of only bending the bars at two ends and it is also possible that persons other than the un-registered Re-rollers can bend the ends of bars and have nominal fabrications though it is not open to them to do so. In such cases it is not possible to pursue the enquiry to ascertain whether original fabrication was done by un-registered Re- rollers.

Yours faithfully,

Secretary to the Government of Bombay,
Labour and Housing Department.

Copy to

(1) The Secretary to the Governor.,

(2) The Rationing Officer (Iron and Steel) with reference to his letter No. BCM/LA Fabrication #2908 -E, dated 28/5/52.

X.D.
28/5.

No. SC(A)-4(66).

GOVERNMENT OF INDIA,
MINISTRY OF COMMERCE & INDUSTRY,

Dated New Delhi, the 11th. December, 1952.

From

D. Hejmadi, Esq.,
Under Secretary to the Government of India.

To

The Secretary to the Government of Madras,
Labour and Housing Department
Secretariat (Annexe),
Fort, Bombay.

Subject:- Iron and Steel (Control of Production and Distribution)Order, 1941

Sir,

I am directed to refer to your letter No. 576/46-E, dated the 27th June, 1952, regarding the delation of certain items in the First Schedule in the Governmentof India Notification No. SC(A)-4 (66) dated the 5th March, 1952 and to say that your ~~pe~~ proposal has been duly considered by this Ministry. In exercise of the powers conferred under the proviso to clause 3(1) of the Iron and Steel (Control of production and Distribution)Order, 1941, the Iron and Steel Controller issued circular letter No, ISC /CDM-III/L(18) 1505, dated the 31st July, 1951. As thisletter of the Iron and Steel Controller was considered to be rather restricted in scope, Notification No. SC(A)-(66), dated the 5th March 1952 was issued, making the position clear to all concerned.

2. In view of the recent increase in the selling prices of steel, it is considered that there would not be much temptation for dealers to evade the Control by passing off controlled categories as any of the items permitted to be manufactured by Un-registered Re-rollers outside the Control.

3. In this connection, it may be mentioned that as observed in the course of a judgement in the High Court of Judicature at Madras, "there is no warrant for a distinction between fabricated bar and an un-fabricated bar." So long as an article can reasonably be called by the same name as any of the categories listed in the Schedule to the Control order, irrespective of whether or not that article is of the same size and condition as it was when sold by a producer of such steel, that article would be subject to the provisions of the Control Order. For example, there would be no justification for a distinction between a bar as produced by the steel mills and a bar with say, a few holes drilled in it or bent at the ends :- in the latter case the article would still be called a bar and s would be subject to the provisions of the Control Order.

4. It may also be mentioned that there is already a provision in the Control Order (vide clause 8) that if an allottee of iron and steel quota does not use it for the purpose for which it was allotted to him (this purpose is or should be specifically mentioned in the quota certificate/permit) he can be charged with contravention of the Control Order

X.D.
26/5.

5. The amendment to clause 3(1) referred to in your letter under references viz. Notification No.SC(A) -4(66), dated the 4th July, 1951, and the provisions of clause 8 of the Control Order, should, it is felt go a long way to curb any incentive for fabrication of steel with a view to evade the Control.

In the circumstances, the Government of India consider that it is not necessary at present to amend their Notification No.SC(A)-4(66), dated the 5th March, 1952.

Yours faithfully,

(D.HEJMADI)

Under Secretary to the Government of India.

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